

MFC 1.2 Business Environment

Objective

This course develops ability to understand and scan business environment in order to analyze opportunities and take decisions under uncertainty.

Course Inputs

1. **Theoretical Framework of Business Environment:** Concept, significance and nature of business environment; Elements of environment – internal and external; Changing dimensions of business environment; Techniques of environmental scanning and monitoring.
2. **Economic Environment of Business:** Significance and elements of economic environment; Economic systems and business environment; Economics planning in India; Government policies – industrial policy, fiscal policy, monetary policy, EXIM policy; Public Sector and economic development; Development banks and relevance to Indian business; Economic reforms, liberalization and structural adjustment programmes.
3. **Political and Legal Environment of Business:** Critical elements of political environment; Government and business; Changing dimensions of legal environment in India; MRTP Act, FEMA and licensing policy; Consumer Protection Act.
4. **Socio-Cultural Environment:** Critical elements of socio-cultural environment; Social institutions and systems; Social values and attitudes; Social groups; Middle class; Dualism in Indian society and problems of uneven income distribution; Emerging rural sector in India; Indian business system; Social responsibility of business; Consumerism in India.
5. **International and Technological Environment:** Multinational corporations; Foreign collaborations and Indian business; Non-resident Indians and corporate sector; International economic institutions - WTO, World Bank IMF and their importance to India; Foreign trade policies; Impact of Rupee devaluation; Technological environment in India; Policy on research and development; Patent laws; Technology transfer.

Suggested Readings

- Adhikary, M: Economic Environment of Business, Sultan Chand & Sons, New Delhi
- Ahluwalia, I.J: Industrial Growth in India, Oxford University Press, Delhi.
- Alagh, Yoginder K: Indian Development Planning and Policy, Vikas Publication, New Delhi.
- Aswathappa, K: Legal Environment of Business, Himalaya Publication, Delhi.
- Chakravarty, S: Development Planning, Oxford University Press, Delhi.
- Ghosh, Biswanath: Economic Environment of Business, Vikas Publication, New Delhi.
- Govt. of India: Economic Survey, various issues.
- Raj Agrawal and Parag Diwan, Business Environment, Excel Books, New Delhi.
- Ramaswamy, V.S. and Nama Kumari: Strategic Planning for Corporate Success, Macmillan, New Delhi.
- Sengupta, N.K: Government and Business in India, Vikas Publication, New Delhi.